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**S&P 500 Investment Banking & Brokerage**

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*March 12, 2020 / S&P 500 Industry Briefing: Investment Banking & Brokerage*
Figure 1.

S&P 500 INVESTMENT BANKING & BROKERAGE STOCK PRICE INDEX*
(ETFC GS MS RJF SCHW)

- 200-day moving average.

* Ratio scale.
Source: Standard & Poor’s and Haver Analytics.

Figure 2.

S&P 500 INVESTMENT BANKING & BROKERAGE INDEX, FORWARD EARNINGS, & VALUATION

- Investment Banking & Brokerage Index
  03/12/20
- Blue Angels Implied Price Index*
  03/05/20

* Implied price index calculated using forward earnings times forward P/Es.
Source: Standard & Poor’s and I/B/E/S data by Refinitiv.
S&P 500 INVESTMENT BANKING & BROKERAGE REVENUES PER SHARE
(analysts’ average forecasts, ratio scale)

Consensus Forecasts
- Annual estimates
- Forward revenues*

* Time-weighted average of consensus estimates for current year and next year. Monthly through December 2005, then weekly.
Source: I/B/E/S data by Refinitiv.

S&P 500 INVESTMENT BANKING & BROKERAGE OPERATING EPS
(analysts’ average forecasts, ratio scale)

Consensus Forecasts
- Annual estimates
- Forward earnings*

* Time-weighted average of consensus estimates for current year and next year. Monthly through December 2005, then weekly.
Source: I/B/E/S data by Refinitiv.
Figure 5.

**S&P 500 INVESTMENT BANKING & BROKERAGE ANNUAL REVENUE GROWTH FORECASTS**
(based on analysts' consensus estimates, percent, weekly)

Year | Growth Rate
--- | ---
2011 | -12.8
2012 | 1.9
2013 | 8.7
2014 | 2.3
2015 | -0.2
2016 | -2.1
2017 | 9.1
2018 | 11.5
2019 | 2.3
2020 | 0.8
2021 | 3.4

Latest data thru 03/05/20

Source: I/B/E/S data by Refinitiv.

Figure 6.

**S&P 500 INVESTMENT BANKING & BROKERAGE ANNUAL EARNINGS GROWTH FORECASTS**
(based on analysts' consensus estimates, percent, weekly)

Year | Growth Rate
--- | ---
2011 | -52.7
2012 | 53.3
2013 | 53.4
2014 | 13.0
2015 | 0.0
2016 | 10.9
2017 | 23.2
2018 | 33.2
2019 | -2.3
2020 | 6.0
2021 | 10.2

Latest data thru 03/05/20

Source: I/B/E/S data by Refinitiv.
Margins & NERI

Figure 7.

S&P 500 INVESTMENT BANKING & BROKERAGE PROJECTED PROFIT MARGIN
(using analysts’ average earnings and revenues forecasts)

Consensus Forecasts
- Annual estimates
- Forward profit margin* (22.9)

* Time-weighted average of the consensus estimates for current year and next year. Monthly through December 2005, weekly thereafter.
Source: I/B/E/S data by Refinitiv.

Figure 8.

S&P 500 INVESTMENT BANKING & BROKERAGE NET EARNINGS REVISIONS*

* Three-month moving average of the number of forward earnings estimates up less number of estimates down, expressed as a percentage of the total number of forward earnings estimates.
Source: I/B/E/S data by Refinitiv.
**Figure 9.**

S&P 500 INVESTMENT BANKING & BROKERAGE STRG, STEG, & LTEG (percent)

- **LTEG*** (5.0)
- **STEGR** (7.2)
- **STRG** (1.5)

* STEG is year-ahead forward consensus expected short-term earnings growth. STRG is year-ahead forward consensus expected short-term revenue growth. LTEG is five-year consensus expected long-term earnings growth.

Monthly data through 2005, weekly thereafter.

Source: I/B/E/S data by Refinitiv.

**Figure 10.**

S&P 500 INVESTMENT BANKING & BROKERAGE VALUATION

- **Forward P/E** (9.5)
- **Relative P/E** (0.5)
- **PEG Ratio** (1.5)

Relative P/E and PEG capped at 1.5

* Price divided by 12-month forward consensus expected operating earnings per share.

** Sector or industry forward P/E relative to S&P 500 forward P/E.

*** Sector or industry forward P/E relative to sector or industry consensus 5-year LTEG forecast.

Source: I/B/E/S data by Refinitiv.